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DEPARTMENT OF HEALTH SERVICES
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BOARD OF SUPERVISORS

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June 5, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT AMENDMENT No. H-207566-1
WITH THE WORKER EDUCATION AND RESOURCE CENTER, INC.
FOR THE HEALTH CARE WORKFORCE DEVELOPMENT PROGRAM
(All Districts) (3-Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Health Services, or his designee (hereafter Director), to execute an agreement amendment substantially similar to Exhibit I, with the Worker Education and Resource Center, Inc. (WERC) in the amount of **\$3,685,776** for FY 2003-04, 100% off-set by Workforce Investment Act (WIA) funds, to continue to provide personnel, program support services, and central office and instructional space for the Health Care Workforce Development Program (WDP), with provisions to extend the agreement to June 30, 2005 contingent on continued WIA funding and Board approval of the annual budget.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

The Department of Health Services (DHS) is recommending approval of the agreement amendment with WERC to continue the collaboration with SEIU Local 660 in the implementation of the WDP, a joint-labor management training and education program for DHS employees. The costs for the WDP and WERC contract services are 100% offset by WIA funding allocated through the Community and Senior Services Department's (CSS) FY 2003-04 Proposed Budget.

The WDP provides programs that address training needs resulting from restructuring required by the 1115 Waiver through training in critical labor shortage areas (e.g., nursing), support for 1115 Waiver-mandated initiatives (e.g., patient financial services, Clinical Resource Management), and will be providing innovative programs that mitigate the impact of employee cascading.

As of May 31, 2003, a total of 2,351 DHS employees completed trainings sponsored by the WDP.

FISCAL IMPACT/FINANCING:

The costs of the WDP are 100% offset by federal WIA funding available via the State and County, and administered by the Community and Senior Services Department (CSS). Under a separate Board letter, CSS is recommending acceptance of anticipated continued WIA funding from the State's 15% Governor's Discretionary Funds in the amount of \$5.9M. The CSS budget also includes \$2.5M in carry-over Local Formula WIA funding. Of the \$8.4M in WIA funds, CSS is making \$7.4M available to DHS through intrafund transfer. CSS will work with DHS to request augmentation of State funding during the fiscal year as additional training programs are implemented.

WERC contract costs have been included in DHS' FY 2003-04 Proposed Budget. The FY 2003-04 maximum obligation is **\$3,685,776** and is 100% offset by State WIA funds. There is no net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Background

In June 2000, the 1115 Waiver was extended for an additional five-year period through June 30, 2005. One of the new initiatives to be implemented under the Waiver extension is a \$40 million Workforce Development Program based on the findings of a 1999 Department of Labor planning grant, which would be developed jointly by the County and SEIU Local 660; the proposed Workforce Development program would be funded for a total of \$40 million by State and County funds, at a ratio of 2 to 1, respectively, over the life of the Waiver extension.

On July 30, 2001, the Department provided a report to the Board describing the overall structure of the WDP and the respective roles and responsibilities of DHS, CSS, and SEIU Local 660 in the development, administration, and implementation of WDP. DHS would retain authority for program administration and oversight of WDP, and ensure that training-related 1115 Waiver requirements are met while SEIU Local 660 would provide administrative support and personnel for WDP through a Board-approved contract.

On September 25, 2001, the Board approved a multi-year workplan and a Training Implementation Plan for the WDP to provide training that would support restructuring required by the 1115 Waiver (e.g., medical records coding, patient financial services), programs to address critical shortage areas (e.g., general nursing and specialty nursing education such as dialysis and critical care) and training in portable skills (e.g., communications and language training). The plan further described the jointly developed program, with joint project teams to plan, design, and implement training programs, building upon the successful collaboration established under the DOL-funded planning and research grant.

On November 26, 2001, CSS, on behalf of the Los Angeles County's Workforce Investment Board (LACWIB), submitted the required application to the State Employment Development Department for \$7.0 million in State WIA funding.

In December 2001, SEIU Local 660 established the Worker Education and Resource Center, Inc. ("WERC") to provide the vehicle for the joint collaboration with the County in the implementation of WDP.

On February 22, 2002, Governor Gray Davis announced the award of \$7.0 million in State WIA funding for workforce training in DHS, the first installment of the State's \$27 million contribution to the \$40 million WDP Program.

On March 19, 2002, the State issued a letter to CSS confirming formal award of the State funding.

On June 11, 2002, the Board approved Agreement No. H-207566 with WERC to provide personnel for the joint planning, design, and implementation of training and educational programs for the DHS workforce. Under the agreement, WERC also provided program support services such as consultants for research, travel, and support for the Labor Management Training Board ("LMTB") and Advisory Board. WERC also provided 8,000 square feet in central office space for both County and WERC staff and instructional space located at 500 S. Virgil Avenue, Los Angeles. The agreement is slated to expire on June 30, 2003.

On May 8, 2003, the LACWIB approved the solicitation and acceptance of up to \$9.6 million in FY 2003-04 WIA 15% Governor's Discretionary funds for WDP.

Agreement Amendment with WERC

Under the agreement amendment, WERC will increase the number of full-time-equivalent staff from 18 to 27, primarily in the area of instruction and coach/tutoring; program support services such as consultants for research, travel, and support for the LMTB and Advisory Board continue under this amendment. All travel will continue to require the prior written approval of the Director. Central office and instructional space will also continue to be provided. Monthly rental for the 8,000 square feet of space remains unchanged at the previously CAO-approved rate of \$1.30 per square foot per month for a total of \$10,400 per month.

The amendment is effective July 1, 2003 through June 30, 2004 with provisions to discuss the extension of the agreement through June 30, 2005. The County's maximum obligation for FY 2003-04 is **\$3,685,776** consisting of personnel, program support services including travel and consultants, training supplies, and recurrent telecommunications costs. With the exception of rental costs, billing to the County is monthly in arrears.

The amendment continues to provide for the reconciliation of payments made by the County to actual costs incurred through March 31, 2004. Overpayments to WERC, if any, will be offset against future County payments due to WERC.

The amendment allows the Director to adjust up to 10% of any direct cost budget line item with the exception of the Tenant Improvement, Space Costs, and Travel and Mileage items as long as the maximum obligation is not exceeded. The amendment continues to allow the Director to increase or decrease the maximum obligation up to fifteen percent (15%) with notification to the CAO, subject to availability of

funding.

CONTRACTING PROCESS:

Advertisement of appropriation adjustments on the Countywide Office of Small Business Website is not applicable. Advertisement of the agreement with WERC on the Countywide Office of Small Business Website would not be appropriate as the implementation of WDP requires collaboration with SEIU Local 660 via WERC. Further, the services to be provided are professional in nature. Additionally, they are temporary in duration as the 1115 Waiver and the WDP are currently scheduled to end in June 2005.

IMPACT ON CURRENT SERVICES:

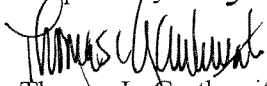
The Department continues to focus its training efforts in the priority areas of supporting 1115 Waiver initiatives (e.g., patient financial services, Clinical Resource Management) and addressing critical shortage areas in nursing classifications. To the extent possible, trainings are scheduled at times and intervals to minimize disruption to service delivery and work schedules.

WDP continues to coordinate with facility administrators to minimize impact on patient services when employees are released to attend training programs.

Attachments A and B (the Training and Implementation Plan for FY 2003-04), provides additional information.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:sh

Attachments

c: Auditor-Controller
Chief Administrative Officer
County Counsel
Director of Community and Senior Services
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT AMENDMENT

1. TYPE OF SERVICE:

Personnel, program support, and central instructional and office space services to collaborate with the County in the planning, design, and implementation of training under the Health Care Workforce Development Program.

2. CONTRACTOR/ADDRESS AND CONTACT PERSON:

Worker Education and Resource Center, Inc.
500 S. Virgil Avenue, Suite 200
Los Angeles, CA 90020

Annelle Grajeda, Executive Director

3. TERM:

July 1, 2003 through June 30, 2004, with provisions to discuss extension of the agreement through June 30, 2005.

4. FINANCIAL INFORMATION:

The FY 2003-04 maximum obligation is \$3,685,776.

5. GEOGRAPHIC AREAS (EMPLOYEES) SERVED:

Employees of the Department of Health Services.

6. ACCOUNTABLE FOR MONITORING:

Rene Topalian, Acting Director of Human Resources

7. APPROVALS:

Chief Operating Officer:	Fred Leaf
Contracts and Grants Division:	Riley J. Austin, Acting Chief
County Counsel (approval as to form):	Elizabeth Friedman, Senior Deputy County Counsel

**HEALTH CARE
WORKFORCE DEVELOPMENT PROGRAM**

TRAINING IMPLEMENTATION PLAN
FISCAL YEAR 2003-04

**LOS ANGELES COUNTY DEPARTMENT OF HEALTH SERVICES
SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 660**

Introduction

This Training Implementation Plan (TIP) for Fiscal Year (FY) 2003-04 is designed to complement the Workforce Development Plan (WDP) five-year Workplan for FY 2000-05. The purpose of the TIP is to provide specific goals, objectives, and expected outcomes for the third year and a broad overview of the budget for FY 2003-04. Additional detail regarding the overall program, its purpose and long-term objectives, may be found in the Work Plan.

In fiscal year 2002-03, Department of Health Services (DHS) and the Service Employees International Union (SEIU) Local 660, in concert with the Community and Senior Services Department (CSS) established the Health Care Workforce Development Program (HCWDP). During this first year of State funding, HCWDP assembled the basic infrastructure, including a staff of 41 (82% positions filled), central and satellite office and training sites. In addition, educational programs expanded to include a full array of nursing specialty courses, registered nurse and licensed vocational nurse educational programs, and more portable skills opportunities. HCWDP provided training and education services to over 2,000 DHS employees.

In fiscal year 2003-04, HCWDP will focus on providing services and educational opportunities to both incumbent and dislocated workers as a result of downsizing and closures within DHS. It is estimated that approximately 1,400 DHS employees will be impacted by downsizing and closures. This number is not set, but has fluctuated based on the DHS fiscal situation. Over 4,000 incumbent DHS employees will also participate in training and education programs.

The categories of training opportunities and career path programs are the same for both incumbent and dislocated DHS employees. In addition, HCWDP will offer extensive coaching and tutoring for DHS employees who need assistance in applying for jobs, preparing for entrance examinations, succeeding in academic and technical courses, and passing certification and licensure examinations. Dislocated workers will receive additional career counseling, support services and job placement services. By structuring educational opportunities to serve both incumbent and dislocated workers allows the flexibility in programming to serve DHS employees whether or not they are impacted by a facility closure or downsizing.

Attachment A outlines the training goals and outcomes for fiscal year 2003-04.

Budget/Funding

The WDP is 100% offset by funding from Title I of the Workforce Investment Act (WIA). A total of \$6.8 million had been set aside at the state level and \$2.5 million from the Los Angeles County Workforce Investment Board for FY 2001-03. These funds will carryover into FY 03/04 and be augmented with funds to cover the program through June 2004. The following table summarizes the FY 03/04 budget, according to accepted WIA requirements for programmatic and administrative allocations, the approximate distribution of those funds:

<u>Department</u>	<u>Programmatic</u>	<u>Administrative</u>	<u>Total</u>
DHS	\$10,225,044	\$459,036	\$10,684,080*
CSS	\$701,501	\$699,672	\$1,401,173
TOTAL	\$10,926,545	\$1,158,708	\$12,085,253

* (as of May 22, 2003)

Of the \$10.7 million allocated to DHS, a portion of these dollars will be contracted to the Worker Education and Resource Center (WEREC is affiliated with SEIU Local 660) for program management purposes. Staff under this contract will be responsible for assisting DHS in the planning, design and implementation of all training and educational programs of the WDP.

Additionally, of the \$10.7 million allocated to DHS for programmatic expenditures, the majority of it will be contracted to various training providers who will be responsible for training programs in the specific training areas. Training providers include local community colleges, universities, regional occupational programs, and independent vendors. The Director of Health Services will establish contracts with these individual training providers using the authority delegated to him by the Board to enter into contracts under \$300,000. The Department will notify the Board of all approved contracts and their progress through quarterly reports.

Education and Training Outcomes: for FY 03/04**Training Program Goals****FY 03/04
Projected Numbers**

Goal 1: Implement Training Programs Linked to Specific Waiver-mandated initiatives - As required by the 1115 Medicaid Waiver agreement. LACDHS must meet restructuring goals related to maintenance of outpatient visits, implementation of Clinical Resource Management, health program eligibility and itemized data collection. The Healthcare WDP intends to train and/or upgrade the skills of LACDHS employees into the following areas that will help stabilize the system and thereby create stable employment.

Patient financial services employees	350
Clinical resource management: inpatient clinical pathways – clinicians*	1000
Itemized data collection: medical record coders (18 mon program)	35
Sub-total	1,385

Goal 2: Implement Training Programs that Address Critical Labor Shortages by Training LACDHS Employees to Promote into Needed Occupations - As part of the Healthcare WDP, a labor market analysis was conducted to research national and regional healthcare industry labor supply and demand issues, and compare the needs and issues within LACDHS to other providers. The analysis looked at future trends, projected emerging needs and growth areas, and defined these areas in terms of their applicability to the planning and implementation of a training and education program. The following were identified as key areas where LACDHS faces shortages of qualified staff and where training provides some potential for alleviating those shortages, and providing stable employment.

Nursing – specialty (dialysis, ICU, ER)	100
Emergency Medical	
Critical Care	
Operating Room	
Ped or Adult Physical Assessment	▼
Nursing – skills enhancement (ACLS, EKG, IV, etc.)	100
Nursing – Registered nurses	60
Nursing – Licensed vocational nurses	35
Nursing – Precepting	100
Nursing – ward clerks	350
Nursing - Science Pre-requisites (Anatomy, Micro, Chemistry, etc.)	100
Other - to be identified (Phlebo, Rad Tech, Phar Tech)	250
Sub-total	1,095

Goal 3: Implement Training Programs Which Upgrade Worker Skills Through Portable Skills, Bridge and Other Innovative Training Programs - Training programs to upgrade worker skills will increase the likelihood that individuals impacted by the downsizing will be able to find positions within LACDHS, other County departments and in the marketplace. The following areas were identified as providing benefit to both the employee and LACDHS as a whole:

Communications	1000
Preparatory Classes	500
Information Technology	750
Spanish language for health care workers – basic and advanced	400
Cultural Competency	75
Transition Support : Professional and Personal Skills	250
Other portable skills to be identified	150
Sub-total	3,125

TOTAL	5,605
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